

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1369 - HB 1306

March 12, 2013

**SUMMARY OF BILL:** Requires the Tennessee Board of Regents (TBR) and University of Tennessee (UT) to provide free parking to employees who earn less than the average state employee salary as published in the Tennessee Postsecondary Education Fact Book. Authorizes parking fees for employees making more than the average salary to be tiered according to salary to ensure that appropriate revenue is met to secure bonds.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue – Exceeds \$199,900**

Assumptions:

- According to TBR, parking revenue in FY11-12 was \$741,900. This revenue was split between TBR universities (\$676,100) and community colleges (\$65,800).
- Three TBR universities have bond indebtedness for parking structures. The parking revenue for these three schools is \$477,700. The remaining TBR institution parking revenue is estimated to be \$198,400 (\$676,100 - \$477,700).
- TBR estimates that 57 percent of its university faculty and staff and 56 percent of TBR community college faculty and staff are earning salaries below the average salary.
- The decrease in parking revenue relative to university faculty and staff is estimated to be \$113,088 (\$198,400 x 57%); the decrease in parking revenue relative to community college faculty and staff is estimated to be \$36,848 (\$65,800 x 56%).
- The total recurring decrease in state revenue for TBR institutions is estimated to be \$149,936 (\$113,088 + \$36,848).
- UT did not provide any parking revenue data or other information. Based on the estimated parking revenue decrease for TBR institutions, the recurring decrease in parking fee revenue for UT is reasonably estimated to exceed \$50,000.
- The total recurring decrease in state revenue is estimated to exceed \$199,936 (\$149,936 + \$50,000).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/msg